



INDUSTRY CIRCULAR

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D.C. 20226

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STANDARD OF IDENTITY FOR TEQUILA

Proprietors of Distilled Spirits Plants,
Importers and Others Concerned:

Purpose. The purpose of this circular is to advise you of ATF Ruling 75-24 which was published in the ATF Bulletin for August 1975. The ruling clarifies the position of the Bureau with respect to the storage, treatment, formulation, and labeling of Tequila. ATF Ruling 74-29, ATF Cumulative Bulletin 1974, 49, is superseded. The new ruling reads as follows:

The Bureau of Alcohol, Tobacco and Firearms has reviewed its position with regard to the domestic treatment and storage of Tequila. As a result of the review, formulas and labels for Tequila will be affected, and ATF Ruling 74-29 is made obsolete.

As of February 1, 1974, the official standard of identity for Tequila was amended to recognize Tequila as a distinctive product of Mexico. As amended by Treasury Decision ATF-7, ATF Cumulative Bulletin 1974, 11, 27 CFR 5.22(g) now reads, in pertinent part, as follows:

Tequila is a distinctive product of Mexico, manufactured in Mexico in compliance with the laws of Mexico regulating the manufacture of Tequila for consumption in that country.

The wording in this amendment exactly parallels the phrasing used in regulations to recognize "Scotch," "Irish," and "Canadian" whiskies as distinctive products of Scotland, Ireland, and Canada, respectively.

The Bureau has long maintained that for any imported liquor to retain its identity as a distinctive product of a foreign country, it must have been manufactured in compliance with the laws and regulations of that country, and it must not be subjected to further manufacture in the United States by any act of rectification.

Held, after March 1, 1976, the authorized treatment of Tequila in the United States will be limited to:

1. Reduction with water to a bottling proof of not less than 80° proof, provided, however, if diluted with water to a bottling proof of less than 80° proof, such dilution must be pursuant to an approved formula on Form 27-B Supplemental and the product must be labeled as "Diluted Tequila."

2. Mingling with other Tequilas which were produced by the same distiller and which are otherwise homogeneous within the rules set forth under 27 CFR 201.297, 201.312, and 201.447. These restrictions would also apply to the mingling of returned bottled Tequila.

3. Filtration and clarification, provided such treatments do not alter the basic composition or characteristics of the Tequila.

4. Storage in oak barrels.

The use of Tequila in the manufacture of cocktails and other distilled spirits specialties is not affected by the amended standard of identity.

Operations no longer authorized for the treatment of Tequila, in the United States, include: (1) the addition of coloring, flavoring, and blending materials, whether or not such addition is within the 2½ percent by volume limitation provided in 27 CFR 5.23(a)(2); (2) the use of caramel for color adjustment; and (3) the mingling of Tequilas produced by different distillers. Tequila which has been subjected to any such operation may not be designated as Tequila under 27 CFR 5.22(g), amended, since such operations would constitute acts of further manufacturing within the United States.

Accordingly, all currently approved Forms 27-B Supplemental, Formula and Process for Rectified Products, authorizing operations with respect to Tequila which will no longer be permitted under the provisions of this ruling, must be surrendered for cancellation on or before March 1, 1976. All label approvals issued for use in conjunction with such formulas and all label approvals covering labels on which the wording and/or graphic devices no longer conform to the requirements for Tequila under the new standard of identity will expire as of April 1, 1976.

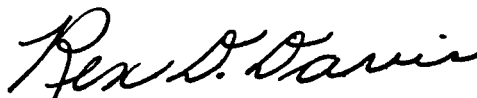
ATF Ruling 74-29, ATF C.B. 1974, 49, is superseded.

Importers of bottled Tequila are reminded that the Tequila will not be released from customs custody for consumption unless a certificate of a duly authorized official of the Mexican Government is filed with the

application for release. The certificate must state that the Tequila is entitled to be designated as Tequila under the applicable laws and regulations of Mexico (27 CFR 5.52(c)(1)). If the label of any Tequila imported in bottles contains any statement of age, the Tequila will not be released from customs custody for consumption unless a certificate of a duly authorized official of the Mexican Government, attesting to the age of the youngest Tequila in the bottles is filed with the application for release (27 CFR 5.52(c)(2)). The age certified shall be the period during which the Tequila has been stored in oak containers after distillation and before bottling.

Tequila imported in bulk for bottling in the United States shall not be removed from the plant where bottled unless the bottler possesses certificates of age and certificates of origin applicable to such spirits which are similar to the certificates required by 27 CFR 5.52 for like distilled spirits imported in bottles (27 CFR 5.56).

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to the Assistant Director, Regulatory Enforcement, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, N. W., Washington, D. C. 20226.



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